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CAPITALIST and LABORER

MODERN SOCIALISM

JOHN SPARGO

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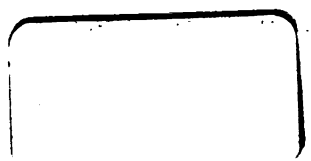

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CAPITALIST AND LABORER

An Open Letter to Professor Goldwin Smith, D. C. L., in reply to his CAPITAL AND LABOR,

AND

MODERN SOCIALISM

A Lecture delivered at the New York School of Philanthrophy

BY

JOHN SPARGO

Author of "The Bitter Cry of the Children," "Socialism, a Summary and Interpretation of Socialist Principles," "The Socialists," etc.

CHICAGO
CHARLES H. KERR & COMPANY
1907

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TO

CERISE E. A. CARMAN

WITH PROFOUND ADMIRATION AND SINCERE FRIENDSHIP

PREFACE

This little volume consists of two parts. The first part contains a reply to Professor Goldwin Smith's attack on Socialism in his little book, *Capital and Labor,* the second a lecture on *Modern Socialism,* delivered to the students of the School of Philanthrophy, New York City.

It will be seen that, while I have for Professor Smith's character and scholastic attainments the highest respect and admiration, I cannot esteem other than lightly his argument on the relations of Capital and Labor. Had the author's eminence in the world of letters not been such that his words are given great and serious attention wherever the English language is read and spoken, I should not have felt that his little book merited any reply.

As it is, I venture to ask a careful consideration of the reply here printed, especially

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from those who have read Professor Smith's book.

The lecture in the second part of the volume is here included in the belief that such a brief expository statement will be welcomed by many persons, and that it usefully supplements the arguments contained in the earlier portion. A certain amount of repetition occurs, but not, I hope, sufficient to annoy the reader.

Perhaps I ought to say that, owing to the time limits, the lecture as originally delivered was considerably abbreviated. It is here published for the first time.

J. S.

Yonkers, N. Y., March, 1907.

PART ONE

CAPITALIST AND LABORER

An Open Letter to Prof. Goldwin Smith, D.C.L.

CAPITALIST AND LABORER

My Dear Professor Smith:

Reasons for this letter

Some time ago a friend in Toronto sent me a copy of a little pamphlet containing your "open letter," *Progress or Revolution?* with the request that I reply to it from the viewpoint of those members of the working class who believe the existing industrial system to be unjust and destined to be replaced by a saner and juster system. While I was reluctant to associate my name in a controversial way with that of so eminent a citizen in the great republic of letters, wherein I am so humble a citizen, as yourself, I could not but feel emboldened by the terms of friendship for Labor in which your letter was couched. Further, it seemed to me a matter of duty to set forth my reasons for believing that Progress must be *by* Revolution — albeit that the revolution need not be associated with violence. I felt that

the manner in which your letter had come under my observation was in a very real sense a call to give reasons for the faith and hope which, as a Socialist, I hold. It did not require even your very modest references to your many services to the cause of the workers in years past, and your friendship for men like Joseph Arch and George Jacob Holyoake — men whom I also knew and loved — to assure me that you would give my letter of reply the same courteous consideration as that which you desired for your letter which called it forth.

That reply to *Progress or Revolution* was written, under the title *Progress by Revolution,* and but for pressure of other matters of more immediate importance would have been published some time ago. Now that your letter has appeared in a new and greatly revised edition, and with the imprint of an American publisher, I am grateful for the delay, since it affords me the opportunity of replying to your argument in its elaborated and carefully revised form. I have taken the liberty, therefore, of changing the title of my reply to one conforming more nearly to the

one you have substituted for that of your original choice.

A correction

That in a life so crowded with varied activities and interests as your own the memory should sometimes falter and fail is quite natural. It would be strange were it otherwise. Your well-known love of historical accuracy will, I am confident, cause you to welcome a correction I desire to make before proceeding to a consideration of your general argument, even though it adds somewhat to the length of my letter and leads into a bypath from which we must retrace our steps.

After referring to the historical case of the transportation of the six (not *seven* as you state) Dorchester laborers, you say, "Liberalism coming into power in England repealed the Combination Laws." [1] May I remind you that the act repealing the odious law of 1800, which prohibited workmen's combinations, was passed in 1824 — *ten years before the vicious persecution of the Dorchester laborers, to which you refer, and of the Bermondsey tanners.* It was not passed by the

[1] *Capital and Labor*, p. 11.

Liberals. It was, as you will remember, "smuggled" through Parliament by its authors, the philosophic radicals, Francis Place and Joseph Hume, so that the Tory government of the time was quite unaware of its passage. Three weeks after the act went into effect some cotton weavers in Lancashire were sent to jail under the old law, the magistrates never having heard of its repeal. The Prime Minister and the Lord Chancellor declared a year afterward that they had been "quite unaware of the passing of the Act," and that had they been informed concerning it they "never would have assented to it." An attempt was accordingly made, in 1825, to undo the work of Place and Hume. Some modifications were made in the Act of Repeal of 1824, but the result of the Tory legislation was, upon the whole, satisfactory. The rights of combination and collective bargaining were for the first time in English history specifically established by statute, and that by the Tories.[1]

[1] *The History of Trade Unionism,* by Sidney and Beatrice Webb.

The Liberal Party and Trade Unionism

In 1830, the Liberals — so called for the first time — came into power under that hater of democracy and liberty, Lord Melbourne. As soon as he had taken office, Melbourne appointed a Commission to inquire into the workings of the trade unions, which he regarded as "a very formidable difficulty and danger." [1] Before me as I write is the volume of Lord Melbourne's papers which Mr. Lloyd C. Sanders edited. From it alone the justice of my estimate of Lord Melbourne could be easily justified. That his two Commissioners were appointed mainly because they were already known to be bitterly hostile to the trade unions is well known to every student of the subject. They reported in favor of terrible measures of repression in a report so vicious that Lord Melbourne's government dared not even present it to the House of Commons, much less try to embody its proposals in legislation. Nevertheless, Lord Melbourne and his Cabinet decided to carry on a campaign of persecution against the unions. I need only mention here the imprisonment of the Lancashire

[1] *History of Trade Unionism*, Webb.

miners and the Southwark shoemakers, in 1832, and the already mentioned tanners of Bermondsey and laborers of Dorchester, in 1834.[1] Any uninformed person reading your statement would naturally gather from it that the Liberals were the friends of trade unionism and its emancipators, whereas they were in fact its bitterest enemies.

Unions legalized by Tories

It was left for the Tories to relieve the unions, by the Acts of 1859 and 1861. They definitely legalized unionism and the use of peaceful, persuasive methods of inducing non-unionists to join the unions — picketing. Again the Liberals, under Gladstone this time, showed their hostility to organized Labor by passing the infamous Criminal Law Amendment Act, the most cruel measure ever directed against English trade unions. You will remember how Mr. Frederic Harrison drew up a bill for the unions, embodying the proposals of the Minority Report of the Royal Commission which the Earl of Lichfield, Mr. Thomas Hughes and himself had signed. You will remember, too, how bitterly that bill was opposed by the

[1] *Idem.*

government and how it was subsequently withdrawn upon the promise of Mr. Gladstone's government that another bill, satisfactory to the unions, would be speedily introduced. When that measure was tardily introduced, in 1871, by Mr. Bruce, who afterward became Lord Aberdare, it roused the fiercest storm of oppositition on the part of the unions ever directed against any measure, so that the bill had to be divided. Two laws were passed, one of which (34 and 35 Victoria, C. 31) legalized trade unionism, and the other of which, the Criminal Law Amendment Act (34 and 35 Victoria, C. 32), well nigh destroyed the unions.[1]

Vicious persecution of Unionists

Do you forget, Professor Smith, the imprisonment of the seven women in South Wales for shouting "Bah!" after a "blackleg," [2] or the sentence of imprisonment passed upon the London gas-stokers, in 1872, by Lord Justice Brett, *merely for preparing to strike?* Do you forget the vigorous opposition to the iniquitous law carried

[1] *History of Trade Unionism,* Webb.

[2] *Idem* "Blackleg" is the English equivalent for the American term of contempt and reproach, "Scab."

on by Mr. Frederic Harrison in his trenchant letters to the *Times,* and the campaign of such men as Messrs. Potter, Howell, Broadhurst, and others? In 1874 the Liberals went out of office with the curse of the trade unions upon them, and it was left to the Tories once more to do justice to the workers.[1] In 1875 Mr. Cross introduced legislation, which was carried in the teeth of strong Liberal opposition, repealing the Criminal Law Amendment Act of 1871, and making employer and employee equal parties to a civil contract. This was the real charter of English trade unionism, hailed as such by the Trade Union Congress of 1875, which voted its thanks to Mr. Cross.[1]

Sources of evidence

I have far too much respect for your splendid integrity as a historian to regard your version of the attitude of the English Liberal Party toward the trade unions as anything other than a mistake arising from a confused memory of a not very familiar phase of history. That the facts are as I have briefly stated them, you can easily satisfy yourself by referring to the authorities I have cited, to the reports of the Trade Union

[1] *History of Trade Unionism,* Webb.

Congress of the period, the files of the London *Times,* the various volumes of *Hansard's Parliamentary Debates,* or by asking Mr. Frederic Harrison for the part in which he was a distinguished participant. Elsewhere, I have shown, beyond the possibility of serious doubt, I think, that the Liberal Party in England always was the most bitter opponent of industrial democracy.[1] I cannot but feel that it is a very great pity that a man of your eminence and distinction, upon whose every word so much reliance is placed, should have sown broadcast such error as your references to the history of English trade unionism contain. It is not a matter for wonder that this Homeric nodding weakens confidence in your other judgments and your advice to the workers.

A challenge accepted

I pass now to the general argument of your letter which is designed, obviously, to serve as an intellectual weapon to be used by the opponents of Socialism in their desperate and pathetic propaganda. Temperate and kindly in tone as it

[1] In the Social Democrat, London, October 1900, p. 294.

is, it commands respectful attention whatever its weakness may be, and quite apart from the homage due to yourself. Since you have sent it forth as a challenge to the Socialists, challenging them in very definite terms, you will not, I am sure, complain if I, a Socialist to whom Socialism is an inspiration and spiritual anchorage, take it upon myself to answer your challenge and discuss the remainder of your letter with perfect frankness and plain speech.

An incomplete statement

When I read in your letter the declaration that "It would be hard to require the employer to live in the smoke and din of his works,"[1] I could not see my way clear to accepting it. Something about it seemed wrong: the statement seemed incomplete. I would not want the employer to live "in the smoke and din of his works," simply because the employer is a human being like myself. But I submit that the employer is not *more* than human, that dirt and din are just as unpleasant, unwholesome and unhealthy to the men and women who work as to those for whom they work. It is both

[1] *Page* 3.

hard and wrong that any human being should be doomed to live in such unfavorable conditions. I have visited and slept in scores of miserable "Company houses" in our mining districts, squalid, ill-built, unsanitary and monstrously ugly houses built by the employing companies for their "hands" and their families to dwell in. I have lived in vile tenement hovels in our greatest cities, hovels in which tens of thousands of families are compelled to reside, and in which thousands of babies are born under conditions less favorable to proper physical and spiritual development than they would have if born in Africa in the hut of a kaffir kraal. That such things are necessary, I cannot believe. I cannot think that they are due to anything but Ignorance and Greed. I would not condemn the employer to such a struggle against unwholesome environment as these conditions inevitably impose upon their victims, nor can I believe it to be anything less than my duty as a man and citizen to do all that lies in my power to make it impossible for such evils to continue.

Pessimism and infidelity

What most surprises and pains me in your letter is not the conserva-

tism due to advancing age, which you recognize with philosophic calm, but the lack of idealism, of moral energy, faith and courage, so unusual in your brilliant and honored career. Realizing that the Socialist ideal of human brotherhood means "social happiness compared with which the highest pleasure attainable in this world of inequality, strife, and self-interest would be mean,"[1] you seek to pour cold water, the deadening cold water of pessimism and infidelity, upon whatever enthusiasm and faith manifests itself in the pursuit of the great ideal. Many of your readers must, I think, like myself, have asked themselves, "Is it ever possible to be too earnest in the pursuit of righteousness?" I have asked myself constantly while studying your letter, "Would Jesus have said 'Seek the Kingdom of God and His Righteousness — but seek it not too earnestly or with fervor'?" If the Socialist ideal is as true and noble as you declare it to be, surely it cannot be too fervently pursued. It may, of course, be *unwisely* pursued — as, for example, when men seek the short-cut of compromise with Error

[1] *Page* 38.

in the vain effort to promote the cause of Truth — but too much moral earnestness there cannot be. If the ideal cannot be immediately attained, the most strenuous efforts toward it will not achieve the impossible. They can only bring the possibility of attainment nearer. On the other hand, if it can be attained immediately the only danger is in delay. The pessimistic unfaith to Truth, the infidelity which declares that it is not expedient to do right, is a curse to the world and a blasphemy.

Socialism misrepresented

I find in your letter so many misrepresentations of Socialism and its advocates as were ever compressed in such small compass. Your picture of the "factory-hand" (Your adoption of the popular, impersonal term shows how completely the fact that the worker is anything but the adjunct of a machine is forgotten!), taking his Sunday stroll to the suburbs and looking with envy upon the mansion of wealth "which Karl Marx, or a disciple of Karl Marx, has told him ought to be his own,"[1] is a case in point. No word of Marx can be found in all

[1] *Page* 3.

his voluminous writings which gives the slightest warrant for such a statement; neither Marx nor anyone who can be called a disciple of Marx ever held or believed anything so foolish. The poor, ill-paid and overworked toiler may go from the dreary hovel which only Love makes worthy the name of "home" to see the mansion of wealth. If he is ignorant of the great principles of political economy which Marx taught, he may be filled with envy and hatred of the owner of the mansion. If, however, he has even the faintest perception of what Marx taught, he is not envious; he does not, can not, say "That fine mansion ought to be *mine.*" He knows that the costly mansion with its elaborate furnishings (a large part of which may be quite useless, or worse) were purchased with the proceeds of the joint labor of hundreds of workers like himself. He contrasts the waste and luxury of the mansion with his own poverty and declares the distribution of wealth to be unjust. He does not feel envy or hatred toward the owner of the mansion (except for personal reasons, perhaps, quite distinct from the possession of the wealth) be

cause he knows that it is the system which is at fault and that the rich man is no more responsible for making that system than himself.

Grotesque ideas of Socialism

Again, when you suggest, inferentially, that Socialists are trying to leap into the millenium,[1] and when you say that all the instruments of production are to be *simultaneously* transferred to the Socialist State,[2] you gravely, but, no doubt, without intention, wrong the Socialist. The latter statement is so demonstrably and obviously impossible that it is inconceivable that any sane man could believe it for a moment to be practicable. I am quite certain that you would not deny that among the many millions of Socialists scattered throughout the world there are *some* who are sane and intelligent enough to reject such an absurd proposal as impossible. Just as I have met many thousands of Socialists in various lands without ever meeting one remotely resembling your factory-worker contemplating the mansion with envy, I have never met one who believed in the *simultaneous* transformation of society.

[1] *Page* 38. [2] *Page* 32.

It would be fundamentally opposed to the whole philosophy of Socialism.

The critics of Socialism

I have often marvelled that so many writers and lecturers undertake to oppose Socialism without taking the trouble to understand it. In the case of other subjects this is rarely so. No one presumes to lecture upon or write about theology, for instance, without some information upon the subject. The same is true of geology, chemistry, biology, history, and most other subjects. When we come to Socialism, however, critics abound who have never made an attempt to understand its meaning. Even the most superficial examination of Socialism would suffice to acquit its advocates from the charge of seeking to change the whole social and political life of the nation, or of the world, at a single stroke. On the contrary, they alone of all who seek to remedy the ills of to-day base all their efforts and their programmes upon a sense of the continuity of human history, upon the fact that Past, Present and Future are linked together by the phenomena of evolution. The Socialist movement of to-day, quite unlike the Utopian schemes and visions

innumerable which were identified with the word "Socialism," and whose only connection with the Socialism of to-day is that they mark the line of departure from visionary schemes to the study of facts, does not seek to interfere with natural laws. On the contrary, it seeks to make clear the laws which govern the progress of human society, in order that human effort shall make for an intelligent cooperation with those laws. And this, which is the very soul of Socialism, is in the interests of that peaceful progress which you and all good men desire, and against that havoc and violence which you and all good men fear.

Social evolution

The Socialist sees in the long history of mankind an evolution from Savagedom through Slavedom and Serfdom to a very complex industrial civilization. From the disappearance of rude savagery and the appearance of slavery, the story is one of great struggles — owners and slaves, lords and serfs, masters and workmen constantly struggling for supremacy. The great slave-lords of antiquity were superseded by the serf-lords of medieval feudalism, and these, in

turn, by the industrial, manufacturing class. Without denying the part which ideals, beliefs and emotions have played in the great drama of human progress, the Socialist points out that every epochal change has depended upon, and been made possible by, some change in the economic system. New means of producing and exchanging wealth have invariably preceded the great historical changes which divide the world's history into epochs.

Rôle of the great inventions in English history

The industrial revolution in England, so well described by Arnold Toynbee, resulted from the series of great inventions by which new modes of wealth-production were made possible. The subsequent growth of England, its social and political developments, cannot be understood if the work of the great inventors, Hargreaves, Arkwright, Crompton, Cartwright, and others, is not taken into account. A study of the expansion of the franchised class and the presence of the present strong Labor Party in the House of Commons. leads inevitably back to the great inventions and the industrial changes they occasioned. In like manner, the student of social legislation. the

factory laws and other legislation of a similar kind, finds himself led back to the same events. It does not rob history of its idealism and romance to admit this great truth, as most modern historians do. It does not, for instance, deny the inspiration of great humanitarians like Robert Owen, Richard Oastler, Lord Shaftsbury, Bronterre O'Brien, and other notable pioneers of social and political reform, to admit that the advances they struggled for with splendid courage and faith were made possible only by the enlarged industrial powers of man.

Economic forces in American history

If we turn from England to the United States, and study impartially the history of its system of slavery, and its abolition as an incident of the Civil War, we shall find the same truth graphically expressed. Few great epochal events in the recent history of mankind have been so universally ascribed to the triumph of idealism as the abolition of slavery in the Southern States. Now, it is not necessary to deny, or even to minimize, the idealistic factor, the work and sacrifice of Garrison, Phillips, John Brown, Lincoln, and others of the noble host,

as a result of the belief that economic forces made possible the glorious event of Emancipation.

Economics of slavery

Was it not an economic necessity, the need for a class of cheap menial laborers, which led to the enslavement of the free barbarians of Africa and their forced deportation to America, just as at an earlier date English felons had been enslaved, and "press gangs" had scoured English villages and forcibly deported many British freemen to meet the same desperate need? On the other hand, was it not a contrary condition, the presence of an abundant supply of such labor, which made the institution of African slave-labor an impossibility in Europe?[1] Does anybody now believe that the very general manumission of slaves by the people in the North, while the people in the South clung tenaciously to their human chattels, resulted from any moral superiority of the Northern slaveowners over those of the Southern States? Has it not been abundantly shown that slave-labor had become relatively un-

[1] c. f. *Slavery and Abolition*, by A. Bushnell Hart, LL.D. (1906).

profitable, and that the manumission of slaves in the North was due to that fact, just as the liberation of many thousands of Roman slaves was the result of an increasing relative unprofitableness? The North had, owing to a variety of causes, come earlier than the South to the universal conclusion that, in the words of Adam Smith, "the work done by slaves, though it appears to cost only their maintenance, is, in the end, the dearest of any." [1]

Slave-labor in the North and the South

In this connection, the influence of the great British economist may be clearly seen in the famous utterance made by Mr. Ellsworth in the Constitutional Convention. "Let us not intermeddle," he said, "as population increases poor laborers will be so plenty as to render slaves useless." [2] In the North the increase in population and the development of the manufacturing system, at a very early period in the history of the new republic, rendered chattel slavery so unprofitable that negro children were given away as soon as they were

[1] *Wealth of Nations,* Book III, Chapter 2.

[2] Hart, *American History Told by Contemporaries,* III, p. 218.

weaned, like puppies, and advertised in the newspapers to be given away.[1] In the South, on the other hand, the relative scarcity of laborers, and the increased demand for labor which arose as a result of the adoption of Whitney's cotton-gin, made chattel slavery a matter of vital economic importance and its profitable continuance for a long time possible. It can scarcely be doubted at this time that had the South been left to its own resources and experience in the matter slavery would soon have died a natural death. As it was, many Southern slave-owners had come to the conclusion that slavery was unprofitable long before the Civil War began. Before the war was finished the question of slavery had become relatively unimportant, so much so, indeed, that the confederate cabinet itself proposed to abolish slavery in order to win European friendship.[2]

[1] Williams, *History of the Negro Race in America*, p. 209. The reader is also referred to the interesting little monograph, *Class Struggles in America*, by A. M. Simons, Third Edition, 1907, for a suggestive discussion of this important phase of American history.

[2] Rhodes, *History of the U. S.*, v. 66–67.

Pains due to transition

If some parts of this long argument appear to you somewhat irrelevant, I beg you be patient. Socialism formulates the law of social evolution in definite, scientific terms. Its basal argument is that the prime factor in the determination of the course of human history is the extent of man's power over the hostile forces of nature; that great changes in the economic institutions and agencies of production and distribution, necessitate a readjustment of the social and political institutions to correspond. The period of transition and readjustment is naturally one of suffering and discomfort by reason of the lack of balance between the economic soul of society and its social and political environment. When you speak of human society being in its general structure "an ordinance of nature,"[1] I presume that some recognition of a great law, or great laws, of evolution is implied. Otherwise I confess the passage has for me no meaning. In the former edition of your letter, published under the title, *Progress or Revolution?* there was a passage[2] to the effect that "changes

[1] *Page* 37. [2] *Page* 24.

happy in their permanent effects often bring temporary evil in their train." You instanced as illustrations of this the introduction of machinery and the development of the great department stores.

Concentration Essential to progress

I regret the omission of the passage quoted from the present edition of your letter. It states a contention of the Socialist with admirable force and clarity. Many of the evils of our present social system undoubtedly so caused. The evils attendant upon the monopolization of industry and commerce, for example, are very great, but no Socialist doubts that the concentration is, upon the whole, in the direction of good. The Socialist may base his indictment of capitalism largely upon the evils associated with the development of great monopolies, but he knows the monopolies to be inevitable and essential to human progress. Many of our most appalling evils appear to be the birth pangs consequent upon the birth of a new Social order, the entry of Man upon a new stage of his great upward and Godward climb.

Prophecies fulfilled

In our own time, even the generation still in its prime, we have seen

great changes take place in the economic life of society. We have seen the competition which our fathers regarded as "the life of trade" gradually die, leaving monopoly and combination in its place. Half a century ago, Karl Marx predicted this.[1] He pointed out that competition would not be destroyed from without, by conscious effort on the part of those who believed it to be an evil, but that it was destined to destroy itself. He predicted the coming of the great Trusts and corporations, but his predictions fell upon skeptical ears. Little more than a quarter of a century ago, a dear friend of mine, Mr. Henry M. Hyndman, an English economist of note, while visiting the United States wrote to Mr. John Morley expressing in confident terms that an age of industrial concentration was near, an age in which "great trusts and combines controlling practically all the great industries of the country" would be formed. Mr. Morley published that letter in the *Pall Mall Gazette* and it later found its way into the columns of the *New York Tribune,* the editor of which ridiculed the idea. The

[1] *Capital,* English edition, p. 789; Kerr edition, p. 837

American editor could not imagine such a state of things: it was "foreign to the American idea." Mr. Hyndman was described as the greatest "fool traveller" who had ever visited the United States. Yet, it was but a twelvemonth or thereabouts before the Standard Oil Company was formed. Since that time the progress of industrial and commercial concentration has been rapid and certain. To-day we are confronted everywhere by the great so-called Trust Problem.

Attempts to revert to competition

You rightly say that "Society is revolting against trusts and combines";[1] rebelling against the subjection of its life to the rule of a minority of industrial lords. But what solution is proposed other than Socialism to this grave problem of monopoly? Is there a single proposed solution other than Socialism which commands serious attention? True, there are those who, not recognizing the laws of industrial evolution, want to destroy the monopolies and return to competitive methods. They believe that the trusts and combines are the product of wickedness and greed; not recognizing the impos-

[1] *Page* 15.

sibility of reversing natural laws, they vainly desire to return to competition. They look to the power of the State to lead them backward to the Golden Age of competition, and when the State makes the attempt with anti-trust laws the result is pathetic in the extreme.

The communism of production of to-day

The Socialists, on the other hand, see the course of natural evolution, inexorable and certain as the flight of time. They do not talk about the "wickedness" of the combinations, but point to their inevitability and urge that the necessary readjustment of the social and political system be made to remedy the awful ills resulting from the lack of adjustment — the veritable anarchy which exists between our methods of wealth production and its distribution and enjoyment. Individual production, as the prevailing system, has passed away forever, so far as it is possible now to see. You rightly point out that there is a vast amount of cooperation or communism in the production of wealth to-day.[1] If we take such a common article as a penny newspaper

[1] *Page* 32.

and attempt to trace all the activities which have entered into its production, the makers of the paper, the fellers of the great forest trees, the makers of the tools used by these, the iron and coal miners, the makers and operators of the machines, the railway workers and many others whose labors must be expended before there is so much as a sheet of plain paper to be printed on; if we add to these the thousands of other workers whose labor, directly or indirectly, is combined in the paper we so lightly toss aside, a wonderful vision of automatic and half unconscious cooperation, wonderfully beautiful, appears. Now, Socialism is, in its last and deepest analysis, an effort to communalize the full benefits of this communism of production. The issue to-day is whether the trusts shall own and control the nation, or whether the people shall own and control the nation and all its resources. The trust socializes production to a very great degree and individualizes the product; Socialism would socialize the product as well as the labor of production. Until that end is attained society must writhe in the cruel, bitter, needless struggle of hos-

tile interests which your letter depicts with so much concern. That is the revolution the Socialists seek to bring about, not by violence and bloodshed, but by the triumph of reason and conscience over ignorance and greed. The social revolution which we work for is a peaceful revolution, by political conquest, in the interests of Progress and Peace.

Confusion of terms

I trust you will pardon the implied criticism if I say that I find it difficult to assure myself of your exact meaning at times, owing to the fact that you do not always use words in the same sense. With no desire to be hypercritical, I call your attention to the fact that while on page six you make a distinction between *capital* and *capitalists,* you do not in subsequent pages bear the distinction in mind. On the page noted you say that "It is not between capital and labor generally that the present war has broken out, but between the capitalist employing a body of workmen, and those whose wages he is supposed to determine." If I understand the import of this passage and its immediate context correctly, you would emphasize that "capital" is inert, impersonal,

while the "war" is a human struggle into which all human weaknesses and passions must enter. When you use the word "capital" in the paragraphs immediately following the passage quoted, you give it the same meaning, but when you use it later, on page ten, the sense is entirely different. You say: "That *capital*[1] can be rapacious and unjust to those in its employ is too certain. It can be worse than rapacious and unjust, it can be terribly cruel. Proof of this may be read in the reports recording the treatment of children in factories and of men, women and children in coal mines which horrified the British people and compelled the interference of the British Parliament." In this paragraph "capital" ceases to be an inert, impersonal thing and becomes a conscious social force. That I am not in error in so understanding it is shown, I think, very clearly by the passage immediately following "*Men*[1] who were guilty of such things may have been humane and even amiable in other walks of life. The lust of gain hardened their hearts. One of the great mine-owners was a wealthy

[1] Italics mine.—J. S.

peer who deserved to be sent to work in his own mines." It is quite clear from this that you fail to observe the important distinction which you recognized and emphasized. This loose use of terms is frequently met with in your letter and is a cause of some obscurity and much confusion.

The "War of the Classes"

Throughout you speak with deprecation and impatience of those who give the relations of the employed and employing classes "the aspect of a war between classes." Yet, if words are to be given their ordinary meaning, you frequently give the relations of the employer and his employees "the aspect of a war between classes." Thus: On page three you speak of "The sharp separation, industrial and social, between employer and employed" as being "another evil attendant upon the introduction of production on a large scale." Does this convey the idea of *class distinction?* Again, on page eleven you say, "The masters are naturally combined in the effort to keep down wages." I ask why they should "naturally" so combine if there is no class division in society! When, on page six, in the

passage already quoted, you speak of a "present war" between the capitalist and his workmen, are not definite class distinctions as clearly indicated as language permits?

Allied with your deprecation of statements that there is a deep-rooted class antagonism, is your implied accusation that Socialists incite class hatred. While this is a very common accusation, it is, so far as my experience goes, altogether unfounded and untrue. All Socialists, with the possible exception of a few overzealous and uninformed individuals, will agree with your statement that no good purpose can be served by venemous exaggeration, "applying to a whole class epithets of abuse which only the worst members of it can deserve." [1] Unless I have utterly and lamentably failed in my attempt to make clear the

[1] *Page* 28. The careful reader will note that Professor Smith, with characteristic inconsistency, uses the term 'class' which he so earnestly condemns the Socialist for using. Incidentally, the quotation warrants the suggestion, made in the same sentence, that the whole body of Socialists ought not to be held responsible for the utterances of its least educated and most ignorant members. What is sauce for the capitalist goose must be sauce for the Socialist gander!

fundamental doctrine of Socialism, you will readily perceive that it precludes abuse and hatred of the capitalist as an individual.

Socialism and peaceful progress

The capitalist epoch which we believe to be now ripening into an epoch of Socialism could not have been escaped by society, omitted from its evolution, by any exercise of prudent genius or the observance of any ethical code. Capitalism, therefore, represents a necessary stage in the world-progress, and the capitalist class, as such, has performed a distinct and important service to mankind. It is only since the development of industry to a point where vast organization and mechanical power have made possible the existence of enormous productive and distributive units that the capitalist, as such, has become superfluous. In accordance with a law of evolution familiar to the biologist, and equally important to the sociologist, that which once served a useful purpose becomes unnecessary and loses its function, or continues to exercise it only as a parasite and a menace to the life it once served. I repeat, the Socialists do not foment hatred between the men on the one side who are de-

voted to their natural interests as capitalists and the men on the other side who are devoted to their interests as wage-workers. Elsewhere,[1] I have made the claim for Socialism that, by developing the class-consciousness of the workers, by pointing out the social significance of the antagonism between classes which almost every man vaguely feels, where he does not clearly comprehend, it is making for peaceful progress against red-handed anarchy and violence. I repeat that claim here with increased confidence.

Dangers of "unlearned discontent"

It is not wonderful that the awful inequalities of wealth and enjoyment which mark our social system should produce feelings of envy on the part of the less favored. The worker who toils for a pittance in a factory where foul atmosphere menaces the health, lives in a tenement where decent opportunities are denied to his family, works at joyless, soul-deadening tasks, sees no hope for the future nor any reward for his life's work but an old age made miserable by poverty,

[1] *Socialism, A Summary and Interpretation of Socialist Principles*, p. 144.

can hardly be blamed if he views with rage and resentment the wealth and luxury enjoyed by others, especially when he feels that the labor of himself and others makes the wealth and luxury so wantonly displayed in contrast to his own poverty. Hatred and envy are the natural fruitage of the social system in which the poorest are they who produce most wealth, and the richest are they who neither toil nor spin. Instinctively, unrestrained by education, the class feeling of the workers leads to bitterness against the individuals of the other class, and, often to deeds of violence. The Socialist philosophy, by placing this class antagonism in its true light as one of the great social dynamic forces, not only prevents personal hatreds and the otherwise inevitable resort to violence, but provides a more effective and intelligent outlet for the energies of the dissatisfied. It imposes upon the working class a sense of the impersonality of its struggle with the master class, and the role it must play in the reconstruction of society. By its political organization, on a definite basis of class interests, the working class must, by peaceful, legal

means, transform the social and political institutions of society to a point of agreement with the socialized production of wealth already developed by capitalism.

Socialism, then, is not inspired by class hatred. It is, on the contrary, the most powerful, and almost the only, force in the world making for peaceful change and industrial order. It does not aim to change masters, setting up the exploited of to-day to become the bread-masters and exploiters. It means the destruction of the fundamental conditions which make the exploitation of one class by another possible; it means the establishment of such conditions as will make fraternal peace possible. Socialism is in a very real sense the Herald of

" Peace on earth and Goodwill among men."

The meaning of " labor "

When we speak of the Socialist movement as a movement of the working-class, and make our appeal primarily to that class, we do not mean that none but workingmen and workingwomen may be Socialists or join our ranks. Nor do we mean manual labor alone when we speak of labor applied to appropriate natural objects as the

sole source of wealth, as you suppose.[1] I confess that I read your argument based upon that assumption with amazement indescribable. Had an uneducated man, one who was unfamiliar with the most elementary principles of political economy, made such a mistake it would have been understandable. You, however, do not occupy that position. It is simply inconceivable that you should be ignorant of the fact that all the great political economists, writers like Adam Smith, Ricardo, John Stuart Mill, and others more recent, use the term "labor" to connote all useful, productive energies regardless of whether they be mental or physical. In the case of a railway, for example, the Socialist, following the time-honored usage of the economists of all schools and times, includes in the category of its necessary labor the designs planned by its engineers and architects, the mental energies expended in the making of its time-schedules, its management, and so on, equally with the physical energies of the plate-layers, engine-drivers, signalmen and conductors. But when all these services have been paid for,

[1] *Pages* 5–6.

when even the "services" of the "dummy directors" and "guinea pigs" have been extravagantly paid for, there is a surplus which is distributed in the form of interest among people who, beyond the investment of money, have performed no service of any kind for the railroad — who, in many cases, have never seen the railroads from which their dividends are drawn. Their reward comes simply as interest upon invested capital, and this, for the most part, is simply so much fruit of the exploitation of past labor, just as the interest it now draws is the fruit of present exploitation. So we appeal to the workers, making no distinction between the different forms of labor, who feel the burden of this exploitation and its injustice to join in a great common movement for its abolition. Some of the brain-workers, those who are paid extravagant salaries, will not be driven by economic motives to join in with the manual workers, their interests being nearly allied to those of the capitalists. Again, some of the capitalists themselves, feeling the justice of the workers' claims, will join us, but their number must needs be relatively few. It is in this sense,

and in this sense only, that the Socialist movement is a class movement.

The capitalist not a producer

Not only do you continually misstate the position of the Socialist when you represent him as contending that all progress and wealth are "entirely the work of the manual laborer and that the manual laborer is entitled to the whole," but you constantly confuse the position of the capitalist with that of the director of industry. "The capitalist," you say, "besides the money which he risks, contributes labor of an indispensable kind as organizer and director, and is entitled to payment for that labor as well as to interest on his capital." [1] Of course, there are many capitalists who, as managers and directors, but *not* as capitalists, do contribute such services as you describe, and, of course, they should be remunerated for those services. As a matter of fact, they are so remunerated. Thus far they are producers, not capitalists. After a man has been paid fully for any such service rendered as a manager, if he draws a further sum for which he has not rendered an equivalent serv-

[1] *Page* 6.

ice in return, he is to that extent an exploiter of labor. Take the director of a company who is paid a salary of one hundred thousand dollars a year: Waiving the question of the righteousness of such a big salary, is it not obvious that if he invests half of that sum in some enterprise in which he does not serve as a director, possibly in a remote part of the world which he has never seen, and draws interest upon it, there can be no sort of justification for saying that he has "contributed labor of an indispensable kind" to the business in which his money is invested? No, the capitalist, *as capitalist,* performs no useful service.

Wages and value

There is another paragraph in your letter so remarkable for its misconception of the economics of Socialism, and indeed of the most elementary principles of political economy, as for the confusion of its language, that I venture to quote it entire. You say: "Labor, we are told, adds the value to the raw material. Undoubtedly it does, and it receives the *price* of the *value* added, in the form of wages, which are *distributed by the equitable hand of Nature*

along the whole line of laborers, from the miner, say, to the artisan of the metal works, and from the grower of cotton to the spinner; not excluding in either case the master by whom the works have been set up and by whose labor as manager and the distributer of their products they are carried on." [1] To analyze this paragraph closely would be ungracious as well as unprofitable. When you say that labor receives "the price of the value added (to the raw material) in the form of wages," you surely do not, can not, mean that it receives in wages the *equivalent* of the value produced. Yet, if you do not mean that the argument is evidently designed to beg the whole question. Of course, labor does *not* get in the form of wages the equivalent of the value it creates, otherwise there could be no surplus to divide among the non-laboring investors. When you say, again, that wages are "distributed by the equitable hand of Nature," you surely cannot mean to contend, in the face of so much evidence to the contrary, that wages are paid upon anything which can be called an "equitable

[1] *Pages* 5–6. The italics are mine.—J. S.

plan." When an absentee director receives for merely nominal service upon the directorate of a railroad a salary many times greater than the total yearly wages of many a highly skilled artisan, where, I ask, is there any sign of equitable division of the product of the total labor-force expended?

The law of wages

Of course, wages are not the price of the values created by the wage-receivers, but of their labor-power. And the price, the amount of wages, is not determined by an abstraction, Nature, spelled with a large letter. It is fixed by the law of supply and demand, the cost of maintaining the laborer and his family at a reasonable state of efficiency being the level below which it cannot for long be forced. Wages, in point of fact, bear no relation whatever to the amount of value created by the laborer receiving the wages. Of course, if the workers do not create values equal to and exceeding their wages, the wage standard will be lowered. But so far from wages being equivalent to the values produced, it is a fact known to every economist that a high rate of productivity often accompanies a low wage rate. Furthermore,

it has been conclusively demonstrated that the American workingman, who is the most productive workingman on earth, receives a smaller *proportion* of his product in the form of wages than the workingman of any other country on earth. The late Lord Brassey, a capitalist of distinction to whom you refer in your letter as "that model of a captain of industry," [1] was never tired of emphasizing this point. It does not help one to understand this confused utterance upon the law of wages to make comparison of it with other references in your letter to the same subject. While on page five wages are determined by "Nature," on page seven it is the employer who fixes their amounts; on pages nine and seventeen it is the "market." Despite the fact that wages are "distributed by the equitable hand of Nature," on page eleven you say that "The masters are naturally combined in the effort to keep down wages," and on the following page that a "large measure of justice in the way of rectification of wages has been won by Unionist effort. . . ." These are but a few of the

[1] *Page 29.*

contradictory statements upon this important point with which your letter abounds.

Ethics and social conflict

The capitalist and the laborer being, as you incautiously admit, engaged in a great struggle, which you very properly call a "war," it seems to me quite useless to attempt to propound ethical platitudes for its solution. "War is Hell," said a great American soldier, and the description applies to many phases of this modern industrial conflict. It is just as futile to preach kindness and goodwill for their enemies to the combatants on either side as it would be to soldiers engaged in a desperate charge. Of course, it is not "kind" to shoot a man or to cut him with a bayonet, but it is war; and of course, it is "far from kind," as you say, to refuse to work with non-union men, but it is an act of war. The doctrine that a man has a right to work for any wage, high or low, that he pleases, or under any conditions, is not tenable. To support it, one must abandon every pretense of ethical judgment. What if the wage be insufficient to provide decently for those dependent upon him, and they become weak of body or mind, or de-

pendent upon society for maintenance? What if the hours or conditions of labor be such that the man becomes devitalized to such an extent that he is unable to support the family dependent upon him, or disease due to the conditions of labor renders him incapable of work? The doctrine of *laissez faire* is fundamentally immoral. Wages, like commodity prices in general, are governed by the laws of supply and demand, subject only to the cost of production. The supply of a considerable body of workers in any industry willing to work for less than the usual rate of wages, or to work for a greater length of time for the same wages, tends inevitably to the general establishment of those inferior conditions. If your contention means anything, it means that the American worker, or the worker of any other country, must not resist the imposition of low standards of living upon him by the competition of workers whose standards are low and undeveloped.

Leisure and life

It is, perhaps, only your general unwillingness to see the workers' side of the question that prompts you to say that: "In lands where Socialism prevails

Unions seem inclined to vote themselves more and more *freedom from work and leisure for sport,* at the expense of what is called 'the State'; that is practically the tax-payer or the class which has most money and fewest votes." [1] I respectfully submit that this is a biased and unfair statement, wrong both as to fact and its inferences therefrom. Fewer hours of labor do not of necessity mean greater devotion to "sport," though, even if that were true, I do not know any good reason for opposing the change on that account. As a matter of fact, to which the history of the movement for shortening the daily period of toil bears witness, the added leisure has been devoted to many things besides sport, and the character of the sports indulged in has been greatly raised.

The Lancashire factory-worker of to-day is no more addicted to sport than his predecessor of thirty years or half a century ago, but he is a better man and citizen and his sports are less brutal and degrading. The American and Canadian workers of to-day devote no more time to sports than the workers of the

[1] *Page* 16. *Italics mine.*—J. S.

Middle Ages, probably, but their sports are more healthful and less brutal. The American worker spends, probably, no more time on baseball than the English worker of a century ago spent on cock-fighting, dog-fighting and other such brutal sports. He spends less time in drunken debauch and more time in the pursuit of culture. It is unquestionable, I think, that the longer the average of the working-day, and the lower the wages, the more brutalized and degraded the workers will be found to be. On the other hand, where wages are highest and leisure is greatest, there the standard of physical, mental and moral development is highest. Further, it is not true to suggest that taxes are higher in consequence. It is not, I think, of supreme importance, but as a matter of fact taxes are lower in New Zealand — the country which has gone further in the direction of practical Socialism than any other — than in the most backward countries. They are lower, for instance, than they are in Spain, Italy, Russia, or even poor, benighted India.

Foolish and futile fears

If preaching to the workers and filling their ears with moral plati-

tudes is futile, attempting to frighten them is even more futile and vain. When I read your solemn warning to the workingmen and working-women of the English-speaking world against driving the capital of the country away,[1] I recalled that a similar cry was raised against the Chartists in England, three-quarters of a century ago. Later on, when the trade unions grew powerful and had won legal recognition, it was urged with equal earnestness against them. Again, when, in due time, the Social Democratic movement arose there and began to spread its teaching, the cry of "you will drive away the capital of the country" was sounded. I remember that it was a frequent enough experience, in the early days of my connection with the movement, to be called upon to reply to that awful objection. Many an English audience has enjoyed the contemplation of the humorous spectacle of the capitalists taking their capital away to some foreign land. But the years have belied that foolish fear, and the growth of the movement has not had that effect in England, any more than it has in Ger-

[1] *Page* 16.

many where the Social Democratic Party has made such rapid and constant gains.[1]

Socialism universal

Seriously, Professor Smith, when you talk about capital having "wings" and intimate that it may see fit to use those wings to fly from the countries where there is a progressive movement of the laborers,[2] where do you suppose it will fly? To China, perhaps, or to Persia, or India? It would be hard to think of any other country in which it would not be met by a Socialist movement more formidable than that it now has to reckon with in the great English-speaking countries. I have before me as I write a chart showing the relative strength of Socialism throughout the world. Fleeing from Great Britain, Canada and the United States, winged capital would not want to rest in the

[1] In view of the results of the recent elections in Germany, and the exultant comments of our American press upon the fact that the Social Democrats lost several seats in the Reichstag, it may be well to remind the reader that the "defeat" of the Socialists so vociferously hailed, was, from a serious point of view, really a victory. The party polled 3,251,005 votes, an increase of 15 per cent. A few more such Pyrrhic victories for the Kaiser would suffice to end his rule!

[2] *Page* 16.

great English-speaking countries of Australasia, for obvious reasons. It would not want to rest in the Germanic countries for equally obvious reasons. In Russia and the Slav countries generally it would be met by a strongly organized Socialist force. In the Latin countries it would find Socialism a rapidly growing movement. In the great South African countries the Socialist cause is making progress, and even in Japan it is a considerable and growing force. Even in China, the battering down of the gates of Pekin let in, not only American and European capital, but the inevitable world-spirit of revolt. The great works of Marx have been, I am informed, translated into Chinese, and their thought has begun to leaven the minds of Chinese scholars and leaders.

Private property an abstraction

I have tried often, during many years, to imagine the spectacle of the capitalists collectively taking their capital away to escape Socialism — tried to imagine how it must present itself to those who, like yourself, seem to think it a probable happening. I must confess that I am completely baffled whenever I make the attempt! Would

Mr. Rockefeller take an oil-well under each arm, and so make an almost endless number of trips to the land of his choice and hope? Would Mr. Vanderbilt take a railway or two, Mr. Carnegie a few steel-works, Mr. Baer a coal mine or two, and so on through the whole list of industrial enterprises? How would the capitalists *divide* their capital, so as to ascertain what each might take as his own? Would a railroad company with ten thousand shareholders divide the number of station-buildings, engines, miles of rails, and so on, by the number of shares of stock and give each shareholders so many engines, so many miles of steel rails, so many cars, so many station buildings (or so many bricks!), according to the number of shares? Even that could not be done justly, for no single individual can properly be said to own a single brick or rail, even though he owns a tenth part of the entire stock of the company. At most, he owns a tenth part of each brick, each rail, each bolt or screw. In the last analysis, by far the greater part of the so-called "private property" of capitalism is a mere abstraction, and consists of nothing more tangi-

ble than the goodwill of the community. It happens that I own a single share of stock in an English company which has ten thousand shareholders, each holding one share. The company owns a building, and is a non-dividend-paying concern.[1] Suppose I attempt to determine my "property" in that building, what happens? I find that I do not own a single brick, stick, or nail. I own simply one-ten-thousandth of each brick, stick and nail. I cannot realize my share, however, for the very simple reason that to do so would be a physical impossibility. I should have to destroy the "property" of each of the other nine thousand, nine hundred and ninety-nine, and when I had done so I should, of course, find that I had destroyed my own with the rest. Is my property in the building anything but an abstraction?

What the capitalists could take

Now, then, the capitalist could not take away the great mass of machinery and equipment which I will call the fixed capital to distinguish it from "circu-

[1] This fact in no way invalidates the argument as will be seen. The illustration would be even stronger were it otherwise.— J. S.

lating capital," money. They could not take the natural resources of the country, its forests and rivers, its great prairies and fertile valleys, its wealth of coal, iron, copper, gold, silver and other minerals. All that they could by any possibility take away would be as much of the circulating capital, or money, as they could take, and heaps of documents, share certificates, deeds of title, and the like, useful under the circumstances only as historical curios, as evidences that at one time they owned certain abstract "property rights." The money, as money, would be as useless as the money of the Southern Confederacy now is, being no longer redeemable, and possess only its bullion value. If, from any country, capital flies and labor remains, the seas and rivers will still give harvests of fish; the valleys and plains will still bear their plenitude of fruit and grain; the hills will still yield their vast treasures of coal and other minerals; steam and electricity will still serve mankind; industry and the arts will flourish; mothers will still bear and nurse sons and daughters; the song of contentment and peace will rise unto the starlit skies. Can you im-

agine this to be true if labor were withdrawn from the land and only capital, however abundant, left behind? No! there would be desolation and death. Farms would become wildernesses and cities vast graveyards, while exultant Nature would hide the mines and gleaming railway lines in a riot of weeds. The laborer knows this, knows that he and his fellows are really not a class in the same sense as the capitalists are a class, but in very truth the world itself. Mrs. Gilman aptly appeals to this consciousness in the fine, proud lines:

"Shall you complain who feed the world?
Who clothe the world?
Who house the world?
Shall you complain who *are* the world,
Of what the world may do?
As from this hour
You use your power,
The world must follow you!"

Wagedom and Slavery

Like a great many other persons, you are unable to agree that the wage system involves any degree of servitude which can justly be called slavery. You say that "No one in his cooler moments can believe that a man who is perfectly at liberty to dispose of his own labor and has full po-

litical rights is a slave."[1] Surely, you are not unaware of the fact that the so-called "freedom of contract" which the worker enjoys is a delusion, and that it exists only theoretically. In actual experience the worker does not find himself "perfectly at liberty to dispose of his own labor." I have seen men struggling like wild beasts outside of the London dock gates for the right to work; outside of the Chicago stockyards I have seen hundreds of men clamoring for work, fighting for places of advantage, and, when the few needed were chosen, I have seen the many turn away with looks of despair and anguish, and, in not a few cases, with cries. Theoretically, the worker in most civilized countries is free to dispose of his labor-power. There is no legal institution compelling men under normal conditions to work upon terms distasteful or disadvantageous to themselves. But in actual practice the *opportunities* to labor profitably are controlled by a comparatively small number of persons, who are thus enabled to fix the conditions under which the workers must labor. And the workers, theo-

[1] Page 19.

retically free though they be, must accept employment upon these conditions or starve.

The "freedom" of the workers

Of course, you will say that under these circumstances the workers have the alternative of seeking employment elsewhere. But how will it be if there is no other employer in the neighborhood, as often happens, especially in connection with great industries? Or, again, how will it be if there are many other employers but none who desire to employ, having all the workers they can profitably employ? Of course, they can remove to some other place, if they have the means to do so, but if they have not the means to move to distant parts they must accept the terms offered or perish. If they do move to other parts of the country, or to other countries, they will be confronted by the same imperative necessity if the means of employment are in the control of others. Further, if the workers are married men with families and homes it is sheer nonsense to tell them that they are "free to go elsewhere." It would be just as truthful and wise to say that the man who gives up his watch at the demand of the highwayman who holds a

loaded pistol against his head is "free" to refuse the demand as to say that the worker who is driven by economic necessity, the fear of hunger for himself and family, to accept harsh terms of employment is a "free man." So long as one man is master of another man's opportunity to labor, he is master of that man's bread and, therefore, of his life.

A concrete example

I will take a concrete case that is in nowise exceptional to illustrate this. A worker whom I will call Jones went one day not long ago to an employer whom I will call Bones and asked for employment as a laborer. He was told that he could get a job at a dollar and twenty-five cents a day if he cared to accept it. Jones accepted the offer though he well knew that upon such a small wage he could not support his wife and three children in decency and health. Do you say that he accepted it of his own "free will," that he was "free to decline" the position? I answer no! He was driven by a force far more potent than a whip in the hands of a Simon Legree, the dread of hunger. At home there was a wife who cried because of the hunger of her little ones; there were empty

cupboards and unpaid bills; there was the certainty that unless the rent were paid promptly he and his loved ones would be forced to leave their little tenement dwelling. To call such a man free is to misuse language and violate reason.

I have known many instances of men being dismissed from their employment because they chose to exercise the elemental rights of manhood, the right to follow their religious or political convictions, for example. Thousands of workers in this great republic were dismissed by their employers because they dared to support Mr. Bryan, for instance. Many a man has been discharged for no other reason than that he had become known as a Socialist. I could cite many instances which have come within my own limited observation of men against whose character no word of reproach could be uttered, and whose skill and efficiency as workmen was admitted, being discharged for such reasons as these. It is, I believe, unusual to-day, but you are quite well aware of the fact that many a man has been discharged from his employment and forced to leave the town or village simply on account

of his religious views, because he did not care to attend his employer's church.[1] This is the "freedom" of wagedom!

The Bertillon system for "free" workers

I have in my possession an application blank issued by a great manufacturing concern which must be filled in by all who apply for employment under the company. Not only must the worker give a full account of his occupation during a number of years past, with the names of all employers worked for during those years and the dates of employment, but he must also sign a promise *never to join a labor organization while in the company's service!* Even while these pages are being written,[2] the newspapers print a dispatch from St. Louis containing a telegram by the president of a great trade union threatening a strike on the Southern Pacific Railway, because the company has issued an order that all its blacksmiths, machinists, boilermakers, carworkers, and other shopworkers, must be

[1] Note: The history of nonconformity in England in the early part of the last century, and even within my own recollection, teems with instances of this kind.—J. S.

[2] February 27, 1907.

measured according to the Bertillon system, like so many criminals. There is no pretense that this is necessary for the safe and proper organization of the railway. It is frankly a means of identifying men so that if any one of them should at any time be dismissed for agitating among his fellows to secure improved conditions of labor, he will be known and effectually barred from obtaining employment on any other railroad in the country. Do you imagine that *free* Americans would voluntarily submit to this outrage?

Wagedom and slavedom — a comparison

It was Carlyle, I believe, who said that the wage-worker differed from the chattel slave in that he was bought for a short time instead of for a life time. There are other differences, not by any means all in favor of the wage-worker. True, the wage-worker in the great English-speaking countries is endowed with political powers which he can use if he will to end his servitude to relentless capital. In so far as this is true he is, of course, in a superior position to that which the negro slave occupied. The chattel slave owner had to keep his slaves in good condition in the

"lean" years as well as in the times of greater prosperity, but the modern employer has no such obligation resting upon him. In Louisiana, before the war, the planters hired gangs of Irish laborers to do the heavy and unhealthy work, because "It was much better to have the Irish do it, who cost the planter nothing if they died, than to use up good field hands in such severe employment."[1] In some respects the wage-worker is at a disadvantage compared with the position of the chattel slave. Nevertheless, I do not for a moment suggest that a return to slavery would be desirable.

The wisdom of John Adams

If I have paid what seems to be an undue amount of attention to this question, it is simply because the bondage of the many to the few appears to me to be the worst feature of capitalist society. I cannot but think, Professor Smith, that you and others who raise a similar protest against the use of the word "slave" to designate the wage-worker strain violently at gnats while you swallow camels whole. I commend to

[1] Phillips, *The Economic Cost of Slave-Holding*, Polit. Sc. Quarterly, xx: 271.

your notice the wise words of John Adams, spoken in the Continental Congress: "It is of no consequence by what name you call your people, whether by that of freeman or slave. In some countries the laboring poor men are *called* freemen, in others they are called slaves, but the difference is imaginary only. What matters it whether a landlord employing ten laborers on his farm gives them annually as much as will buy the necessaries of life or gives them those necessaries at short hand?" [1]

Paternalism useless

Your disavowal of belief in the efficacy of schemes of benevolent paternalism as a means of solving the great social problem which confronts civilization is most welcome to the Socialist. With your broad vision of life, your extensive memories, and your experience with all sorts and conditions of men and women, you know how vain and abortive such schemes are. The fable of the dog with the golden chain and collar illustrates very well a phase of human psychology. Mankind would rather be free to walk, even though the pathway chosen be full

[1] Quoted by Simons, *Class Struggles in America*, Third Edition, p. 27.

of stones and thorns, than be led in paths of others' choosing, even though these be strewn with flowers. If freedom and beauty in life are ever to be realized by the people, the realization must come from their common experience; it cannot be handed down to them.

While you see the futility of benevolent paternalism clearly enough, you nevertheless seem, like a great many other earnest and thoughtful observers of social conditions, to believe in Comte's idea of the "moralization of capital." You seem to believe that kindness and considerateness on the part of the employers for their employees will remove antagonism and make for social harmony and industrial peace. That this hope is vain and delusive is my profound conviction. The very nature of capital as the agency by which one class exploits and rules the other class in society, makes it impossible that there should be peace so long as capital bears that relation to the laborer. That your letter is intended to serve as a plea for mediation and goodwill between the warring forces is evident, and I yield to no one in my admiration for the high sense of civic duty and earnest

patriotism which inspired it. Still, I cannot persuade myself — and I have examined the question in the light of history and personal experience — that the result of it, and all appeals of its kind, can be other than baleful and wrong. To cry peace when there is no peace possible is worse than useless: it clouds the real issue, befogs the minds of the masses, and restrains many from taking a definite stand upon the side of what they believe to be the Right. The total result is to dam back, as it were, the stream of progress until it bursts the dam with irresistible force and overwhelms society by a flood of hateful passion.

The bogey of bureaucracy

It is not strange that one whose memory covers so long a period as your own should fail to distinguish between the Socialism of to-day and the Utopian Socialism of an earlier generation. Remembering the "colonies," "phalanxes," and other formal schemes for social reconstruction in which all the minutest details of life were provided for in elaborate schedules and codes, it is easy to understand your misconception of the Socialist movement of to-day; your idea

of a great bureaucracy governing the whole of life with an inflexible despotism. That is the conception which lies back of your challenge to the Socialists, demanding to know whether, and how, they can devise a government so omniscient as to be able to choose and appoint some men to poets, artists, inventors and philosophers and other men to be laborers, mariners, artisans, farmers, and so on. Your challenge summarizes the conception of numerous superficial critics so admirably that, notwithstanding that it has been answered hundreds of times, by Socialists and non-Socialists alike, I quote it in full:

"Socialism has never told us distinctly, if it has tried to tell us at all, what its *form* of government is to be. Can it devise a government which shall hold *all the instruments of production*, distribute our industrial parts, yet leave us free? Without freedom and personal choice of callings, how could there be progress, how could there be invention, how could there be dedication to intellectual pursuits? Can the government pick out inventors, scientific discoverers, philosophers, men of letters, artists, set them to work and as-

sign them their reward? By what standard will it measure remuneration? The products of manual labor it might conceivably measure; but apparently those alone." [1]

Socialism and the individual

The answer to your questions, and to all the unuttered fears implied by them, is that modern Socialism, this great world-circling political Socialism, involves the creation of no such bureaucracy. It does not comprehend the destruction of private property, but only the socialization of such property, and such agents of production, as are in their very nature social, and which in private hands menace the common interests and good. It does not involve the destruction of personal liberty and the creation of a despotic State, but proposes to leave the choice of occupation to the individual with no other restrictions than the law of supply and demand and the laws of social self-protection necessitate. It does propose to guarantee to every citizen an opportunity to earn an honest living, without degradation and with leisure to enjoy life. These rights are fundamental to life:—

[1] *Page 27. Italics mine.*—J. S.

"And the right of a man to labor and his right to labor in joy—
Not all your laws can deny that right, nor the gates of Hell destroy!"

Socialism does not propose to surround life with a network of laws in the vain hope that it will make men perfect and remodel human nature by legal enactment, but it does propose to destroy, as far as that is possible for collective effort, all those anti-social conditions which compel men to live vain, hopeless, sordid, brutal and unworthy lives. It does not expect, nor will it attempt, to override the great laws of human nature and make men equal, but it does make the proposal that all those things which deny equal *opportunities* and create *unnatural* inequalities should be destroyed. It claims for every child born into the world its heirship to all the vast resources of wisdom and knowledge so painfully gathered by the race through long ages; it claims for every child equal opportunity for the fullest and freest development of all its powers, leaving only natural inequalities to manifest themselves. That is the "Equality" of Socialism. To be yet more specific, the *form*

The Socialist State

of government at which Socialism aims, the form of government essential to its very existence, is a complete political democracy, resting on the broad basis of adult suffrage. It thus elevates woman to the plane of political and social equality with man. Industrially, the State — no longer representative of a class but of the whole nation — will be as democratic as it is politically. The State will not seek to own *all* the agents of production and distribution and to extinguish private property and private industry, but it will take the great agencies of life upon which all depend, and the ownership and direction of which by private enterprise is shown to be impossible without injury to society — the things which can only be used by individuals as means of exploiting other individuals — and bring them under the direction of a truly democratic rule of the workers engaged in them and the representatives of the community. It will thus set a standard of remuneration, conditions of labor and leisure time which private enterprise must accept if it is to continue to exist. On the other hand, no Socialist is foolish enough to believe that collective

ownership will continue if it does not prove superior to private ownership in its efficiency. Socialism seeks no privileges: it does not fear the competition of private industry. Here, then, is strong ground for its appeal; it is capitalism which fears the test and shrinks from it.[1]

Means of realization

You ask *how* this change will be brought about, and the question is both natural and fair. Yet, neither I nor any living being can answer it in definite terms. This much is certain: when the results of capitalist ownership and rule prove so oppressive that they are no longer endurable, the goodwill which constitutes the very soul of capitalist property will be withdrawn. The collective will, expressed in legal form, will demand the assumption by the body politic and social of any and all things which its own safety and welfare require. It may pension some owners; it may buy some properties under those powers of domain and ultimate ownership which underlie the juris-

[1] I have discussed this question at length in my "*Socialism, a Summary and Interpretation of Socialist Principles* (1906), chapter IX.

prudence of every civilized society.[1] Or, if it chooses to do so, it may simply *assume the functions of production or distribution exercised by the private owners, without touching anything they own, and so accomplish the*

[1] Note: There is of course, no such a thing as an *absolute* right to property of any kind except this ultimate social right to which I refer. In the case of land, this is well known. The power of municipalities and states to take land (at their own valuation in many cases, for public purposes, such as the building of hospitals, the making of public parks, roads, and so on, even though the nominal owners of the land do not want to sell it, illustrates this point clearly. Even where the land is wanted by a private corporation, for building a railway, for instance, these powers are frequently exercised. The same principle holds good of *every* form of property rights, though the fact is often lost sight of. Taxation is a common form of confiscation. The power exercised in war-time of taking food or other supplies is another. Under the police powers of every civilized country in case of serious accident or disaster the home of any citizen, and whatever it contains, may be lawfully seized and used. Suppose the owner of a supply of food or drugs, or any other necessity of life, should have clung to them in San Francisco at the time of the disastrous earthquake and fire, does any sane person believe that he would have been permitted to enforce his 'rights' against the urgent need of the community? In the last analysis, I repeat, private property is a pure abstraction, resting solely upon the good will of the community.

desired end. To illustrate: Suppose the community decides that its best interests will be served by establishing its own system of transportation, and either the existing owners decline to sell at a reasonable price, or the community decides that there would be no advantage in taking the 'plant' of the existing owners. Under the circumstances it might pursue precisely the same policy as the capitalists have themselves always pursued and establish its own plant. What would happen would be simply this, that without confiscating a single item of property it would have destroyed every single fraction of the value hitherto owned by the private company, except, of course, the sum its now useless things would bring at the junk dealers'. There can be no question, it seems to me, that, given the will to socialize any function of production or distribution, society has full power to do so.

Charity versus Justice

Nothing in your letter, Professor Smith, is so disquieting as the acceptance of the pernicious doctrine that Charity can take the place of Justice in our social economy. When you say that the evil re-

sulting from the accumulation of vast fortunes "is partly balanced by large benefactions to public institutions,"[1] you give your support to one of the greatest lies of our age. Victor Hugo it was, I believe, who declared that "the rich will do anything for the poor except get off their backs." Yet, so long as they continue to exploit the poor they cannot do any effective good by charity. The large benefactions to public institutions which you refer to do not lessen the wrongs existing, but tend rather to increase them. The very idea of private individuals assuming social functions is fundamentally unjust and wrong. There is a legitimate sphere for private philanthropy, the sphere of experiment. But beyond this stage philanthropy ought never to go. If I go into a city and see a beautiful public library, or an art museum filled with rare treasures of art, the library or museum ought to express to me a certain amount of general culture in the community. In point of fact, under present conditions, they express nothing of the sort, but merely the fact that Mr. Carnegie or some other millionaire has

[1] Page 29.

been permitted to assume social responsibilities and duties. Similarly, a public hospital ought to be a concrete expression of the humanitarian spirit of the citizens, of their regard for their less fortunate fellows, but is to-day, in many cases, nothing more than a monument of the neglect of those things by the public and the fact that private individuals have done, in the name of Charity, what the community ought to have done in the name of Justice. That charity weakens the moral fibre of the individual who becomes dependent upon it, frequently doing far more harm than it can possibly undo, is admitted. So it is in the case of communities. Many of our cities and towns have been pauperized by the "large benefactions to public institutions," by which our great multimillionaires seek to salve their consciences, and, incidentally, to quiet the popular discontent.

Our need of Charity

I would not have my position upon this matter misunderstood. I do not blame the philanthropist. I do not doubt that in many instances they are actuated by entirely laudable desires. Indeed, I honor the spirit which prompts a man to give part of

his surplus wealth to relieve suffering and misery, or to aid others to obtain knowledge and emancipate themselves from misery. But I cannot close my eyes to the fact that this is the richest country in the world, and that there must be something wrong with the social system which *necessitates* private philanthrophy upon the gigantic scale of to-day. In the richest country of the world, with resources of fabulous richness, where the people feel the need of libraries they must wait in patience until Mr. Carnegie makes up his mind to give them libraries for presents, and as monuments to his exaggerated egoism. Feeling the need of money for educational purposes, we must wait for Mr. Rockefeller to give it out of his vast hoard. In our richest and greatest city, notwithstanding the most awful need of a lying-in hospital, we witnessed the spectacle of the city waiting helplessly until Mr. Morgan saw fit to build one at his private expense. Yet, Mr. Carnegie, Mr. Rockefeller and Mr. Morgan, like all others of their type, draw all they give in this manner from the labor and life of the community. Because society condones the wrong

of private exploitation of public resources, it must condone the further wrong of substituting private philanthropy for social justice.

Socialism and youth

I do not appeal to you to join the Socialist movement, Professor Smith. It is a melancholy reflection that little good could accrue to the Socialist cause as a result of such a step on your part at this late day. Your splendid career lies in the Past, a monument of civic loyalty and unselfish devotion to the common good. But Socialism is for the Future. Therefore, I look to the younger men and women who have been influenced by your life and work, and who may attach much importance to your utterance against Socialism. I seek and hope to convince them that Socialism is the only ideal worthy of their service and devotion. To their unshaken faith, unsullied hope and unbounded enthusiasm I appeal against the skepticism and unfaith of age with its backward vision. I appeal to them to recognize the fact that to "acquiesce in our industrial system," even provisionally, as you counsel them to do,[1] is to deny righteousness and to

[1] *Page* 38.

compromise with wrong. I appeal to them to face the stern fact that acquiescence with capitalism is nothing less than binding the soul of Truth to Mammon's altar and muzzling the spirit of Truth in the Temple of Life.

The blight of capitalism

I see the bosom of the earth blightened and reddened with blood by wars made in the name of capitalism; I see genius, beauty and love strangled in a cruel, stygian quagmire of poverty in the name of that same capitalism; I see childhood bound to wheels, the purity of womanhood and the strength of manhood ravished and destroyed for capitalism and the privilege of the few. And seeing these things, and unutterable things worse than these, which every open-minded man and woman may see, I denounce the advice to acquiesce in them as an outrage upon the spirit of Truth, an unholy alliance with the powers of Evil, a blasphemy against God and all that is noble and good in life.

A call to the young

I turn, then, to the young and plead with them for a nobler and better ideal, and a worthier purpose in life than acquiescence with the system of greed,

ignorance and sordidness. I stand upon the broad platform of Mazzini's religious faith, and, adopting his very words, say to the young men and women of to-day to whom this great sphinx-riddle of the social problem appeals, and upon whom the responsibility of its solution must devolve:

Mazzini's words

"You were first *slaves,* then *serfs.* Now you are *hirelings.* You have emancipated yourselves from slavery and from serfdom. Why should you not emancipate yourselves from the yoke of *hire,* and become free producers, and masters of the totality of production which you create? Wherefore should you not accomplish, through your own peaceful endeavors and the assistance of a society having sacred duties towards each of its members, the most beautiful revolution that can be conceived — a revolution which, accepting labor as the commercial basis of human intercourse, and the fruits of labor as the basis of property, should gradually abolish the class distinctions and tyrannical dominion of one element of labor over another, and by proclaiming one sole law of just equilibrium between production and con-

sumption, harmonize and unite all the children of the country, the common mother?[1]

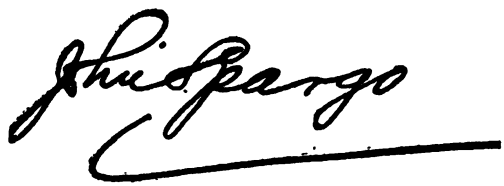
The claim of Socialism

All that Socialism asks of any man is a candid and unbiased investigation of its principles, an honest study of its claims, and that is a duty which every true man owes to himself, which every patriotic citizen owes to his country. The Socialist movement embraces too many millions of earnest men and women in all lands, among them the most illustrious leaders in Art, Science, Literature and Politics, to permit any intelligent person to ignore it. In the firm conviction that the claims of Socialism are just and true, and believing that to neglect its study is to stultify self and wrong society, I urge the readers of these pages to become acquainted with its literature, and, equally, with the literature of the opposition to it, weighing the pros and cons with open minds, bent only upon the realization of the truth. Read the best literature, for Socialism and against it, in the spirit of the sage advice of Lord Verulam: "Read not to contradict and confute, nor to believe and take

[1] *On the Duties of Man.*

for granted, nor to find talk and discourse, but to weigh and consider."

Faithfully yours,



PART TWO

MODERN SOCIALISM

A lecture delivered at the New York School of Philanthropy, March 7th., 1907

NOTE

In the comments upon Mr. Mallock's utterances contained in the following pages I have tried to be absolutely fair to that gentleman. It is not always possible, however, to be quite certain as to the meaning of Mr. Mallock's incoherent and contradictory statements. On the one hand he accuses Marx and his Socialist followers of teaching that "wealth is produced by manual labor alone," while, on the other hand, in summing up the very first of his lectures, he laments that "At present the orthodox economists and the Socialistic economists alike give us *all human effort* tied up, as it were, in a sack and ticketed 'human labor.'" Both statements, it is very obvious, cannot possibly be true.

Again, the confusion of thought and language in Mr. Mallock's arguments are such that, even when he defines his term, the "definitions" are absolutely unintelligible and add to the general obscurity. He defines labor, for instance, in the following words: "*Labor* means the faculties of the individual applied to his own *labor.*" If this sentence was intended to mean anything at all, the fact does not appear. In a great American University, a highly culttured audience is gravely informed that labor means "faculties applied *to* labor!"

More than ten years ago, while residing in England, I found some intellectual diversion in touring the country amusing myself, and, I hope, others, by puncturing the airy bubbles which Mr. Mallock's verbosity blew across the pathway of our Socialist propaganda. Utterly discredited in England, the naivete of the National Civic Federation of America has given him a new lease of life, and American Socialists may indulge in the amusing pastime of pricking Mr. Mallock's bubbles.—J. S.

MODERN SOCIALISM

Assumption on which lecture is based

I am honored by the invitation to address you today upon the subject of Modern Socialism. When I received the very courteous invitation of Dr. Devine, in response to which I am present this morning, I had no idea that the gentlemen who comprise that very interesting body, the National Civic Federation, were to resurrect from his comparative oblivion in England the genial Mr. Mallock and import him to discuss Socialism in some of our great American Universities. It seemed to me at the time best to assume that most of you would be quite ignorant of the subject, notwithstanding the fact that almost every one of you may have graduated from some college or university. I could not hope that any considerable number of you would know more about the great subject of Socialism than the average professor, and it seemed best, therefore,

to frame my lecture upon the assumption that you would have no correct ideas about Socialism and the Socialist movement, such ideas as you might have being incorrect and misleading.

Mr. Mallock's disingenuousness

Since then you have, I hope, all read or listened to the lectures of Mr. Mallock. Yet, with all deference to an ingenious and mildly interesting opponent, I cannot think that you are any wiser for the experience. It would, I think, be almost impossible for any person to add to his or her stock of correct information about Socialism as a result of sitting under Mr. Mallock's instruction, wherefore I shall stick to my original intention of assuming that most of you have very erroneous notions about Socialism and that few of you have any correct ideas about it. You may have noticed that, like a certain class of theologians, Mr. Mallock devoted his time to a textual criticism of detached passages from the writings of Karl Marx. That many of these criticisms betrayed a lack of ingenuousness not uncommon among controversialists, and to which harsh words might be not unjustly applied,

is true, but that is not the most important criticism I would make. What I would have you observe today is that Socialism in America cannot be destroyed or hindered by the method Mr. Mallock has adopted. Marx wrote half a century ago, and while there can be no doubt of the vast influence of his work upon the Socialist thought of our time, it is not a very difficult task to show that he was fallible. Because he was human he could not well be otherwise. There is a younger school of Socialist writers, of which I am proud to be a very humble member, which our opponents must deal with if they would touch the Socialism of to-day, or do more effective work than make straw men to knock them down with academic gravity. The test of our opponents' sincerity and courage will be their willingness or otherwise to place at the disposal of the Socialists the facilities given to Mr. Mallock. It will be, too, something of a test of the integrity and freedom from bias of our great universities.

So much I say by way of prelude: Coming to the subject of to-day's lecture, I shall not weary you with textual expositions of

Marxian or other formulas, nor with an academic phraseology that is at once foreign and archaic. In the simplest language I can command, I hope to make quite plain the essential feautres of the Socialism of to-day as we American Socialists conceive it.

The word 'Socialism'

The word "Socialism" was first used in 1833 by the disciples of Robert Owen, the great English philanthropist. It was used to designate Owen's scheme of universal coöperation at first, and was gradually adopted as the name for all utopian dreams and experiments from Plato's *Republic* to Bellamy's *Looking Backward*. But, while we have retained the word to designate our ideas and ideals, there is no other relation between those universally dreamed utopian visions and modern Socialism. The relation, or lack of relation, between the two has been aptly likened to that of the ancient alchemy to the chemistry of to-day.

Three phases of the subject

We may consider present day Socialism from three quite distinct points of view. We may consider it as:

(1) A theory of social evolution

(2) A system of political economy

(3) A social ideal

While these are quite distinct points of view from which we may consider Socialism, any extensive observations from them must inevitably merge themselves together, forming a sociological synthesis which is frequently spoken of as "Scientific Socialism." I propose to sketch a suggestive outline of Socialist theory under each of the three heads.

Social Evolution

(1) *As a theory of social evolution* Socialism has for its primary postulate the necessity of the constant change and growth of the social organism. In olden times men regarded the social state as a static thing, but to-day, thanks to a host of thinkers in the realms of biology and sociology, men like Comte, Lyell, Darwin, Spencer, Lewis H. Morgan, Bachofen, Sir Henry Maine, and numerous others whose names will doubtless occur to you, the idea of social evolution is a firmly established one. Thanks to the patient labors of these great thinkers, it is now possible to trace the evolution of the human race and to mark that evolution into fairly definite epochs. Morgan, Maine, Lubbock, and others, have shown the long period

of savagedom through which primitive races lived without any idea of private property, in a rude, savage, tribal communism. They have shown the rise of slavery, historically the first form of private property known to the human race, while other writers have traced with greater wealth of detail the modification of slavery and the rise of serfdom in a feudal society. The passing of that feudalism with its branded serfs, and the rise of capitalistic society with its wage-laborers instead of serfs, is a page of history so recent that its documentary records are open to each of us. So recent is it, indeed, that even those of us who have not yet reached the meridian of life have been privileged to see some remnants of the old feudalism existing alongside of the new form of social organization, as in the Slavic countries of Europe, and to witness the last desperate struggle of the feudal remnant against extinction.

Recent changes

In our own time, we who are still young have witnessed a great transformation in the social and industrial life of the world. We have seen the development of new agents of production like electricity,

the passing of competition in industry and commerce, and the rapid and extensive concentration of capital in commerce and industry. Our own experience, therefore, confirms the doctrine of the gradual evolution of society, and we could not, in view of that experience, believe in the possibility of an immediate realization of the millenium as the result of adopting some scheme of social organization, even if we would.

Economic forces in evolution

Now, the distinctive features of the Socialist theory of social evolution, as distinguished from other theories, is the so-called "materialistic conception of history," formulated by Marx and his great coworker, Friederich Engels. The essence of this theory, its root principle, is that the main impelling force in human progress, the force which to a large extent determines the time and character of the changes in social organization which we call the epochs of history, is economic, rising out of the methods of producing and distributing wealth. Slave-labor broke up the pre-historic communism, and the development of that system of production established private property and an

individualistic code of ethics to replace that of the tribe. The rise of the feudal system may be traced to definite economic causes as clearly as the rise of capitalism may be traced to the workshop system and its development to the great mechanical inventions of the eighteenth century. Just as the term feudalism comprehends something more than the economic arrangements existing between lords and serfs, and covers the whole social and political life of an epoch in history, with its military system, its jurisprudence, its intellectual life, so the term capitalism comprehends much more than a system of wage-paid labor. Constitutional government, personal liberty and freedom of contract are just as essential parts of capitalism as steam engines, banking and credit.

Other factors not excluded

I have said that the distinctive features of this theory of social evolution, this philosophy of historical development, is that the *main* determinant force is economic, including in that term all the economic factors, including even climate. Other forces enter into the stream of causes. Religion, superstition, custom, ethics and pa-

triotism have each exerted considerable influence, but when all possible allowance is made for these great forces the sum of economic conditions still remains the principal force impelling the race-life onward. You will see at once that this is very far from being the gospel of economic fatalism which it is sometimes caricatured as being, alike by superficial critics and friends. It does not imply that individuals are inspired solely by sordid greed, a proposition which no one really believes. It does, however, imply that men generally act in accordance with their consciously felt interests, of which economic interests are always the most important and urgent. This will come to you in your work in the sphere of philanthropic endeavor very often, and serve to explain why kind hearted men and women known to you will oppose the measures you are forced to advocate for social betterment. It will help you to understand why a great corporation like Trinity Church owns slum property and opposes tenement house legislation, and why men and women who are known to you as earnest Christians and most generous persons will oppose measures aim-

ing to do away with evils like Child Labor. If you use it wisely it will illumine for you many a page of history which would otherwise be obscure, but if you use it fanatically and without reason it will land you in foolish and untenable positions.

Meaning of the "Trusts"

So far as we have gone many persons who are not Socialists accept this theory of social evolution. One need not be a Socialist in order to accept the idea that history is to a very great extent dominated by economics. The further contention of Socialism is that the present methods of wealth production and distribution, large factories and great industrial and commercial organizations popularly called "Trusts," make possible the socialization of industry and commerce and, indeed, compel it. The centering of wealth, or the control of wealth, in relatively few hands tends to focalize the resulting discontent into a movement aiming at the transformation of private or semi-private monopolies into collective monopolies shared by all the people through the instruments of democratic government. This, then, is the *philosophy* of

Socialism. Without regard for other things, such as, for example, the theory of value or the science of political economy in general, a person accepting this theory may be a Socialist with a perfectly valid reason for his conviction. If I may be allowed to add to the number of classes into which Socialists are already classified, I should call such a person a *philosophic* Socialist.

Economics of Socialism

(2) *As a system of political economy,* Socialism, like all other systems of political economy, concerns itself with the laws governing the production and distribution of wealth. It seeks to explain the inequalities, to show the nature and origin of what John Stuart Mill called "the enormous share which the possessors of the instruments of industry are able to take from the produce."[1] Indeed, this passage from Mill's great work contains the germ of the exploitation theory of value which constitutes the cornerstone of the economics of modern Socialism.

This system of economics was formulated

[1] *Principles of Political Economy* (1865 Edition), p. 477.

LIBRARY OF THE UNIVERSITY OF CALIFORNIA

by a brilliant German thinker, Karl Marx, whose service to the development of political economy have been compared to those which Darwin rendered to biology, and won for him the title of "the Darwin of economic science." In the brief time at our disposal I can only state the principles of this system of economics in bare outline, unsatisfactory as such a statement must be.

Marx and "labor"

Marx followed the lead of all the great English economists, Petty, Smith, Ricardo, Mill, and others, and accepted as axiomatic the principle common to them all that "all wealth is produced by labor applied to appropriate natural objects." He did not, as many foolish critics suppose, teach that the mere expenditure of labor upon natural objects must inevitably result in the production of wealth. He knew well enough that if a man spent his time digging holes in the ground and filling them up again, or dipping water from the ocean in a bucket and pouring it back again, that the labor so expended upon natural objects would not produce wealth of any kind. Nor did Marx teach that manual labor alone produces

wealth, denying or ignoring the productivity of mental labor and "directing genius," as alleged by Mr. Mallock. Like all the great economists, he included in the term "labor" the totality of human energies expended in production, regardless of whether those energies are physical or mental. He was not foolish enough to believe that the intellectual labors of the inventor, the designer and the director could be disregraded.[1]

The principle stated

To state plainly what Marx believed and taught, in practically his own words, will, I think, be sufficient to destroy the whole fabric of Mr. Mallock's labored and sophistic criticism. Here is the principle: Wealth in modern society consists of social use-values, of things for which there is a demand giving them the quality of *exchangeableness*. While, obviously, there are many things possessing this quality on which little or no labor has been expended,

[1] Here is the definition of labor given by Marx:

"By labor power or capacity for labor is to be understood the aggregate of those *mental* and physical capabilities existing in a human being, which he exercises whenever he produces a use-value of any description." *Capital*, vol. I, p. 145 (Kerr Ed. p. 186).

things found, for instance, which possess almost fabulous value because of their rarity, they constitute an almost infinitesmal part of the great business of life. Normally, the business of modern society is the production of social use-values, and these are produced by those energies of hand and brain which the economists call labor, or productive effort, applied to natural resources. Such a conception of the meaning of the term labor embraces every contribution to the sum total of useful productive energies expended, from the brain labor of the great Edison to the humblest laborer.

Marx's contribution to the theory

What Marx did which distinguishes his work in this respect from that of the great economists who preceded him was to give scientific form to the crude theory of value which they had developed. From the central fact that all wealth results from the union of natural forces with those of human intelligence and power, the older economists had evolved the simple labor theory of value, the idea that the amount of human labor embodied in two commodities otherwise different determined

their relative economic value. It is perfectly obvious that this conception of value was most defective and vulnerable. If two workers are employed at making tables or chairs, for example, and one of them, being a less efficient worker, or using less efficient methods, takes twice as long as the other, there being no other appreciable difference in the tables except that the making of one took twice as long as the making of the other, it would be foolish to suppose that any person would be willing to pay twice as much for the table produced by the inefficient worker, or by cumbersome methods, as for that produced in less time. If that were so, we should have in economics a "rent of inefficiency," and society would be, even though unconsciously, engaged in a great conspiracy against efficiency and progress. The advantages of life would go to the slow and inefficient.

Average socially necessary labor

Marx saw the error of the crude theory, but he also saw the germinal truth which it contained. He realized that, while the amount of labor actually embodied in a single commodity could not be the determinant of its value, there must be

some relation between the value of commodities in general and the amount of labor spent in their production. The substance of his labor theory may be simply stated as follows: "The exchange value of commodities is determined by the *amount of average labor at the time socially necessary for their production.*" This is determined, not absolutely in individual cases, but approximately in general, by the bargaining and higgling of the market, to adopt Adam Smith's well-known phrase." [1] To explain, let us return to our example of the men making tables: If the slower methods are those usually employed, and the time taken by the slower worker is the average time, the speed of the other worker and his methods being wholly exceptional, then the exchange-value of tables generally will be determined by that standard, and the worker adopting the more efficient methods will be able to get the same price for his tables, and, because he can produce twice as many in a given time as can be produced under the old, slow methods, he will be in a

[1] c.f. *Socialism, a Summary and Interpretation of Socialist Principles,* by John Spargo, p. 196.

position of great advantage over his competitors. But competition tends to bring about the adoption of the most efficient methods, and when they become general the exchange-value of tables is determined by them instead of the older, cumbersome and inefficient methods. Then the worker who keeps to the old ways is left behind in a position of great economic disadvantage.

Surplus-Value

Marx did more than place the labor theory of value upon a scientific basis. He went further and showed *how* the owners of the instruments of industry obtained the "enormous share" of the produce which Mill noticed. He developed his famous theory of "surplus-value" (*mehrwerth*) to explain the methods by which the exploitation of the producers is accomplished. This is done through the medium of wages. Under the methods of production prevailing during the era of capitalism, it is impossible to determine the product of the individual worker. Instead, therefore, of each man producing as an individual and selling his own product, we have masses of workers employed at a given wage for a given number of hours,

the product belonging to the employer. The employer buys their labor-power as he would buy any other commodity, at a price tending to the cost of its production, i.e., the maintenance of the workers and their families, fluctuating according to the relation of the supply of labor-power to the demand for it.

The law of wages

It is sometimes contended that wages depend upon the productivity of labor, the amount of value produced, but this is not at all the case. Doubtless the bald statement that the amount of a worker's wages is not decided mainly by the value of his product, will prove surprising to many. The capitalist teachers of political economy and the capitalist press have long taught otherwise. But here are two instances, and it would be easy to multiply them a thousandfold, which prove the assertion.— In the reports of the Interstate Commerce Commission some very interesting figures are given which the workers are not so familiar with as they ought to be. For instance, we find that in 1902 there were employed upon the railroads of this country 1,179,460 workers, exclusive of all officials from the grade of Division

Superintendent upward, with a wage-total of $653,447,162 — or an average per employe of $554.02. In 1897, the number of employes was 814,756, and their total wages amounted to $416,609,616 — or an average of $548.15. So that in the five years the average increase per head was just 1 per cent. But in the same period the profits rose from $369,565,009 in 1897, to $610,131,520 in 1902 — an increase of 65 per cent. Thus, while profits increased to the extent of 65 per cent., wages increased only 1 per cent. Even stronger evidence is afforded by the U. S. Census Reports. We find from these that in the year 1890 the average wages per worker amounted to $445 per year. The total value of the product per worker was $842. In 1900, the average product per worker had risen to $872, but the average wages had fallen to $437. That means that each worker produced on an average $30 more wealth, but received eight dollars less wages! Producing more wealth, we receive less wages!

Surplus-Value explained

Now then, the employer buys labor-power, raw materials, and machinery. The raw materials are used up

in the product, simply changed in form. It is obvious that they cannot create anything. The machinery is also used up, but less slowly. It is obvious that no machinery adds to itself, or to anything, being inanimate. It is only a complex tool used to effect the transformation of the raw materials. The labor-power is also used up, but, unlike the other things, in the process of being used up it adds to its own value by creating new value. Thus, if $1,000 worth of raw materials are used up in a week, together with $1,000 worth of labor-power (the amount of the wages paid) and $100 worth of machinery and plant, we have a total value of $2,100. Now if the value of the product resulting is found to be $2,600, it is clear that the workers have created $500 worth of value for which they have received no equivalent. This unpaid-for labor Marx called "surplus value." To obtain this surplus the capitalist goes into business. It is his source of income. It is divided, of course, in various ways, not going, necessarily, to the individual employer. How it is divided is of no moment to the worker. The main divisions are (1) rent,

(2) interest on borrowed capital, (3) employers' profits.

Logic of the theory

To combine for the purpose of preserving their interests is natural, alike for producers and exploiters. Those who accept this theory of the exploitation of labor and believe that the workers, being vastly more numerous than the capitalists, will find a means of ending the system of exploitation by transforming the great private, or quasi-private, industrial and commercial monopolies into social or collective monopolies, are Socialists, even though they do not accept the philosophical theory of social evolution already outlined. You will see that the end reached is the same in either case. One man reasons along the lines of great generalizations, but fails to accept the detailed analysis; another accepts the detailed analysis of present facts, but rejects the broad generalization, owing to the perspective with which he sees the various factors of human progress.

Limitations of the Marxian theory

There are many Socialists who will agree that the Marxian theory of value must be accepted with important reservations, such, for example, as those con-

tained in the so-called Austrian theory of final, or marginal, utility. This theory, as I have tried to show in one of my books,[1] is nothing more than the old theory of supply and demand determining value. Personally, I have never been able to regard these theories as mutually exclusive. To me they appear to be complementary. Marx himself insisted that social use-value is essential to exchange-value, that is to say that the desire of others to possess it is a condition which must exist before any article can have any value whatsoever. This is not a concession of Marxism to its critics, but an essential feature of Marxism. If a man makes wooden shoes in New York where they have no social use-value because nobody wants them, fur overcoats in Ecuador, or straw hats in the arctic circle, his labor may well be as vain as if he were dipping water out of the ocean with a bucket and pouring it back again. But it is obvious that, whatever the demand may be, it would be impossible for commodities to be exchanged for less than

[1] *Socialism, a Summary and Interpretation of Socialist Principles* (1907).

the cost of their production for any length of time. Production would be lessened until the supply approximated the demand. Nor, in a free market, under the normal economic conditions to which all economic laws must apply, could they be for long maintained at a price level greatly in excess of their value.

Scarcity as a cause of value

Of course, this law of value applies to the *production of commodities.* There are many things whose value is determined wholly without regard to labor embodied in them. A picture by Raphael, for instance, a statue by Michael Angelo, or the manuscript of a sonnet by Shakespeare, would each possess a value determined only by the extent of the competition for them by wealthy persons. Their scarcity makes them desirable to such an extent that some persons will give immense sums for the pleasure of owning them. This *desirability* is what is meant by the term "final utility" in modern economics. At best it is an obscuration of thought, the old terms of supply and demand being much more intelligible.

Intellectual products

If instead of taking Raphael's picture, Angelo's marble, or

Shakespeare's manuscript, we take the *reproductions* of them which are produced as commodities, we shall find that the Marxian theory holds good in every particular. It may, I think, be admitted by the most rigid Marxist of us all that the law cannot be applied to purely intellectual products, such as works of art and literature, without important modifications. A sensational novel, produced in a week, may have, and often does have, greater exchange value than a work by a great thinker like Herbert Spencer, owing to the greater demand. Other examples of a like nature will suggest themselves.

Mr. Mallock's argument

This is not the point raised by Mr. Mallock, however, in his elaborate argument for the recognition of genius, or ability, as a "third factor in production." Mr. Mallock, after falsely representing Marx as claiming that "the only human agency involved in the production of wealth is *average manual labor*," [1] proceeds to demolish the theory, under the circumstances not a difficult task. Utterly uncon-

[1] Mr. Mallock's second lecture at Columbia University, *vide* the *New York Times*, February 15, 1907.

scious that he is merely repeating the old arguments in support of the supply and demand theory, he chooses as an illustration sufficient to annihilate the innocent Socialist an edition of a printed book. The mechanical features of our book, which is a work of genius, are similar to those of "a mere compilation of unreadable nonsense," the labor spent upon both is the same in kind and quality. What makes their values different, then? Mr. Mallock makes two replies to this question — one of them, the correct one, he suggests quite accidentally and unconsciously; the other, entirely wrong and unutterably foolish, he makes with evident deliberation. His formal answer is that the value is due to the directing genius of the author, but this rests upon the supposition that the work of greater genius will have the greater value, whereas the facts are often quite otherwise. A novel by Mr. Meredith, Mr. Howells, or Mark Twain sells for exactly the same price as one by Laura Jean Libby, Marie Corelli, or the latest nine year old prodigy of the literary world. Their commodity values are equal, despite the fact that the Laura Jean Libby

book is of no literary merit or importance, while the book by Mr. Meredith is a permanent enrichment of literature.

Trying to escape the circle

Further than this, Laura Jean Libby or Marie Corelli will sell tens of thousands of copies of their books more than Mr. Meredith or Mr. Howells, perhaps. Browning's "Saul" is undeniably a greater poem than Ella Wheeler Wilcox's "Laugh and the world laughs with you," yet ten thousand persons will read the latter for every dozen who will read the former. Fitzgerald's translation of Omar is another classic example. While mere doggerel ballads sold by the thousand in London streets, Fitzgerald's immortal work went begging. To-day, however, we have forgotten the names of the "best sellers," just as we have forgotten the best sellers of half a dozen years ago. If we were to pin Mr. Mallock down to his illustration, we should be able to argue from it with fair logic that the relation of genius to value is entirely destructive! Mr. Mallock is, however, quite incoherent, and in his incoherence blurts out the real solution of his problem. In the words "whether thou-

sands of people want to read it or nobody" we find him stumbling over the explanation of the relative values of his work of genius and his "compilation of unreadable nonsense"—stumbling but unaware of the fact. It is the demand which gives the one book value as against the other: it is a social use-value, while the other book, for which there is no demand, has no value because it has no utility. The labor embodied in it is like that wasted in dipping the ocean dry, or digging holes merely to refill them. Like many another critic of Marx, starting with a misrepresentation of the theory of value for his premise, Mr. Mallock gets nowhere: he moves in a vicious circle and cannot escape from it.

"Ability and production"

While Marx, like all the great economists, included the ability devoted to the direction of labor in his use of the term labor, Mr. Mallock makes of it an independent factor. It is his "third factor in production," vastly more important than labor. He does note the great inventions and their tremendous influence on the production of wealth, but he does not attempt to show that the genius of the inventors is not ex-

ploited. With the long list of great inventors who have died in poverty that would have been an impossible task. The "ability" and "genius" which Mr. Mallock exalts is nothing more than the commercial ability to exploit labor, an ability based on the possession of the instruments of production, as Mill showed, rather than any special moral or intellectual superiority. The genius of a handful of capitalists, undistinguished for anything except the possession of capital, brought the genius of Eli Whitney to hardship and suffering.

Socialists and idealism

(3) *As a social ideal* we can only discuss Socialism very briefly, having lingered too long with Mr. Mallock's sophistries. We have seen that some persons accept Socialism as a philosophy of social evolution without accepting its commonly accepted views of political economy, while others reach the same goal, come to the same position with regard to the present problem of society, as a result of their acceptance of those economic theories, though they cannot accept the philosophy of social evolution which ascribes a principal influence to economic fac-

tors. Still others there are who arrive at the goal by yet another route. Knowing or caring little or nothing for theories of economics or philosophy, they see the ills by which mankind is beset, the needless poverty amid vast stores of wealth, and the strife and bitterness of the struggle for gain; and contemplating these things they accept Socialism as the great gospel of human brotherhood and fraternal peace. They can understand clearly enough that the Socialists are aiming at the removal of the causes of the ills they so sincerely deplore, and embrace Socialism as a great social ideal, or religion, devoting themselves to it with religious fervor and enthusiasm. These idealist Socialists are sometimes sneered at for their "sentimentality" by those whose lives are dominated by the intellect rather than by the soul, yet they have their rightful place among us. They bring to the movement a spiritual dynamic of unquestionable value.

"For human solidarity"

Not only so, but all Socialists have an ideal. The soldier in the Paris Commune when asked "What are you fighting for?" drew himself up and answered, "For human solidarity." And that same

great ideal inspires the Socialists of the world. To aim at the abolition of needless poverty and suffering, the wars that drench the world with blood, the needless diseases that decimate the race, the dominion of man by man and class by class, so that individual and collective interests may at last be harmonized, is the ideal which inspires even the "crass materialism" of the Socialist movement of which you have heard so much. I need scarcely say here that the Socialist has no desire to see a great bureaucracy established for the purpose of directing the life of the people. Stupid caricatures of a Socialist state attempting to establish absolute equality by feeding and clothing all its citizens alike, crushing out individual liberty, attempting to pick out its artists, poets, inventors and philosophers, erring sometimes and putting Shakespeares and Angelos to dig ditches, are common enough. The answer of the Socialist to such charges as these caricatures imply is simple enough: we want social ownership only of those things which cannot be controlled by private owners except as means of exploiting the labor of others and making them bondsmen. Not less

freedom for the individual, but more — a freedom resting upon the right of each child born into the world to an equal chance.

Socialism not a millenial dream

The millenium of which men have dreamed throughout all the ages may at last be realized. Centuries, possibly thousands or millions of them, may elapse first, each age finding itself a little nearer the goal. In that Golden Age of Love and Peace, sorrow and pain, sin and folly, tears and harsh words may be unknown, but Socialism does not concern itself with that millenial perfection. It is a gospel for to-day. Its message to the America of the twentieth century is simply this: "Let us unite to secure the greatest social advantage from the long centuries of social experience and effort, conscious that the highest and best interest of each individual will be served thereby."

Parable of the rose

I close with a little parable which I read or heard somewhere many years ago. In a schoolroom a wise teacher placed a beautiful rose to brighten the day for her children. Soon, the boys and girls began to clamor for the rose, each begging the teacher for the sole possession of it. "To

give it to any one boy or girl would be unjust to all the others," said the teacher. "Besides, it would be unwise, for whoever obtained it could not possibly get more of its beauty than now. I cannot divide it, for if I do the rose will be destroyed and each child will have a worthless petal only, there will be no rose. Together, we can each enjoy it; in a real sense each of us owns the rose." Social property is like that. It cannot be owned by any individual without robbing all other individuals; it cannot be divided without ruin. Yet each individual can own the whole of its real utility and enjoy its full benefits.

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